LEGISLATIVE LIBRARY OF BRITISH COLUMBIA
3 3298 00338 4923

Ministerial Accountability Report

For the Fiscal Year Ended
March 31, 2007

2006/2007

Ministry of Finance
Office of the Comptroller General

BRITISH COLUMBIA
The Best Place on Earth

LEGISLATIVE LIBRARY
VICTORIA, B.C. V8V 1X4
JUL 16 2007

National Library of Canada Cataloguing in Publication Data

British Columbia. Office of the Comptroller General.
Ministerial accountability report.. –2002/2003
–Addendum
Annual.
Report year ends Mar. 31.
ISSN 1703–9983 = Ministerial accountability

1. Executive departments - British Columbia –Accounting–Periodicals. 2. Finance, Public–British Columbia–Periodicals. 3. Finance statements–British Columbia–Periodicals. I. Title.

HJ13.B7B74 352.43'0971105 C2002–960231–9

July 11, 2007
Victoria, British Columbia

Lieutenant Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present the Ministerial Accountability Report for 2006/07. This is the fifth annual report required under the *Balanced Budget and Ministerial Accountability Act*.

CAROLE TAYLOR
Minister of Finance

July 11, 2007
Victoria, British Columbia

Honourable CAROLE TAYLOR
Minister of Finance

As required under Section 6(2) of the *Balanced Budget and Ministerial Accountability Act*, I present the following information:

- Collective responsibilities—for members of the Executive Council, a comparison of the expected and actual financial results based on the audited Summary Financial Statements;
- Individual responsibilities—for members of the Executive Council responsible for operating expenses, a comparison of expected and actual spending results based on the Consolidated Revenue Fund Schedule of Comparison of Estimated Expenses to Actual Expenses;
- For members of the Executive Council without operating expense responsibility, specifically, Ministers of State, and for the Minister of Small Business and Revenue—a list of expected and actual results as described for the member; and,
- A statement of salary holdback repayable based on the foregoing.

Respectfully submitted,

CHERYL WENEZENKI-YOLLAND
Comptroller General

2007-05496/

Contents

Reporting Requirements under the *Balanced Budget and Ministerial Accountability Act*

Ministerial Accountability 7
Collective Responsibilities 7
Individual Responsibilities 7

Ministerial Accountability Report Summary of Schedules 9

Reporting Results

Comparison of Expected Results to Actual Results 10
Collective Responsibilities Results 10
Individual Responsibilities Results for Members of the Executive Council with Operating Expense Responsibilities 10
Reconciliation of Summary Accounts Surplus to Stated Estimates Amount 11

Comparison of Revenue Generation and Non-financial Targets to Results Achieved for the Minister of Small Business and Revenue and for Members of the Executive Council Without Responsibility for Operating Expenses 12

Ministerial Salary Holdback Repayment Results 14

Ministerial Accountability for the Fiscal Year Ended March 31, 2007

The *Balanced Budget and Ministerial Accountability Act* (BBMAA) holds ministers responsible, individually and collectively, for ensuring ministries operate within their budgets, government meets its overall financial commitment, and the Ministers of State and Minister of Small Business and Revenue meet their targets. The BBMAA ties ministers' salaries directly to financial and non–financial targets. The Ministerial Accountability Report communicates the results.

The BBMAA requires that a comparison of expected and actual performance results be released with the Public Accounts. This reporting is separate from any other performance reporting requirements, such as the service plan reports required of each minister under the *Budget Transparency and Accountability Act*.

The BBMAA requires a holdback of 20 per cent of ministerial salaries until release of the Public Accounts for that fiscal year. Half of the holdback is related to collective responsibilities for meeting the total summary accounts surplus/deficit target in which all ministers participate and half is related to individual ministerial responsibilities for meeting expense, revenue or other non–financial targets. The government as a whole must meet its provincial budget target in order for ministers to be entitled to receive the ten per cent collective holdback. Ministers earn the other ten per cent by meeting their ministry budget or non–financial targets which is their individual responsibility. Where requirements are met, the holdback for ministers responsible for operating expense and for the Minister of Small Business and Revenue is payable the day after the Public Accounts are released. The holdback for Ministers of State is payable after the publication of results in the related final service plan reports.

Collective Responsibilities

The collective holdback under Section 4 of the BBMAA is based on the surplus or deficit of the government summary reporting entity as published in the Summary Financial Statements, using the accounting policies applied in preparation of the Estimates as published in the preceding year and as amended by specific statutes. The rules as of fiscal 2006/07 may be summarized as follows:

- If a summary surplus is forecast and the actual surplus is at least 50 per cent of the estimate, the collective holdback is repayable.
- If neither a summary deficit nor surplus is forecast and there is no deficit, the collective holdback is repayable.

Individual Responsibilities

The individual holdbacks under Section 5 of the BBMAA are based on:

- Ministry spending for ministers with operating expense responsibilities, except for the Minister of Small Business and Revenue.
- Revenue results as specified by regulation for the Minister of Small Business and Revenue.
- Specified expected results for members of the Executive Council without operating expense responsibilities.

Ministerial Accountability for the Fiscal Year Ended March 31, 2007—Continued

The BBMAA requires that the following information be reported:

- Schedule 1 of the Estimates discloses the individual ministerial financial targets for the fiscal year. If during the fiscal year a government reorganization takes place, as described in Section 1 of the legislation, a revised Schedule 1 must be published that discloses the revised operating expenses that are the responsibility of each minister.
- The operating expense targets for 2006/07 are the amounts stated in the revised Schedule 1.
- A comparison of actual results and the estimated amounts published in the revised Schedule 1 for the fiscal year ending March 31, 2007, which includes amendments by the *Budget Measures Implementation Act, 2004*; the *Ministerial Accountability Bases Act, 2006–2007*; and the *New Relationship Trust Act*, for ministers with responsibility for operating expenses under each of the applicable sections of the BBMAA.
    - Where responsibilities were shared or changed during the year, actual spending is shown against the responsible ministers. Ministry and program expense are measured for the full fiscal year against the stated amount in the revised Schedule 1.
    - Changes and shared responsibilities are measured in monthly proportions of this annual result and are included in the applicable minister's targeted and actual result amounts for the period of time they held the responsibility. Note that Contingencies (All Ministries) and New Programs are the responsibility of the Minister of Finance.
- Actual results for the Minister of Small Business and Revenue and for ministers without responsibility for operating expenses are taken from the 2007 ministry service plan reports or interim reports and are compared against the expected results listed in B.C. Regulations 25/2006 and 26/2006.
- The Ministerial Salary Holdback Repayment Results schedule discloses amounts for all ministers held accountable under the BBMAA.

Ministerial Accountability Report Summary of Schedules

Comparison of Expected Results to Actual Results—this statement discloses the results of comparing actual operating expenses of the government as a whole, and individual ministries, against the financial targeted operating expenses.

This statement shows for each minister (other than the Minister of Small Business and Revenue) with responsibility for operating expenses accounted for in the Consolidated Revenue Fund, an estimated amount that must be made public with the Estimates under Section 6(1) of the *Balanced Budget and Ministerial Accountability* Act (BBMAA). This estimated amount is described in Section 5(1) of the BBMAA and represents the targeted operating expenses that are the responsibility of the minister as set out in the main Estimates for the Fiscal Year Ending March 31, 2007, which includes any adjustments to reflect enacted legislation.

During the fiscal year if a government reorganization takes place as described in Section 1 of the BBMAA, a revised Schedule I must be published that sets out the targeted operating expenses that are the responsibility of the minister.

The statement also discloses the actual amount of operating expenses for each minister as required under Section 6(2) of the BBMAA and communicates whether or not the collective and individual responsibility targets have been successfully achieved.

Comparison of Revenue Generation and Non–financial Targets to Results Achieved—this statement has been prepared in order to communicate the revenue generating or non–financial targets established through regulation and the results achieved by the responsible ministers. In addition to the financial accountability reporting under the BBMAA, non–financial results are also required. Results are taken from the annual public service plan reports of each Minister of State.

Ministerial Salary Holdback Repayment Results—this statement discloses the amounts of the salary holdbacks of the responsible ministers for both collective and individual results. These holdbacks are repayable based on the results achieved as communicated through this Ministerial Accountability Report.

Comparison of Expected Results to Actual Results for the Fiscal Year Ended March 31, 2007

Collective Responsibilities Results

	In Thousands			
Summary Financial Statements Surplus (Deficit)	Estimates Expected Results $	Actual Results $	Variance $	Actual Surplus Within Target
Provincial Budget Target per Estimates March 31, 2007 and actual results shown in Public Accounts' Statement of Operations	600,000	4,056,322	3,456,322	
Summary Surplus (Deficit) for *Balanced Budget and Ministerial Accountability Act* purposes	600,000	4,056,322	3,456,322	Yes

Individual Responsibilities Results for Members of the Executive Council with Operating Expense Responsibilities

	In Thousands			
	Expected Results [1] $	Actual Results $	Variance $	Actual Spending Within Targets
Premier	12,482	11,264	(1,218)	Yes
Minister of Aboriginal Relations and Reconciliation	32,978	32,955	(23)	Yes
Minister of Advanced Education and Minister responsible for Research and Technology	1,981,707	1,979,415	(2,292)	Yes
Minister of Agriculture and Lands	226,497	199,507	(26,990)	Yes
Attorney General and Minister responsible for Multiculturalism	478,964	471,119	(7,845)	Yes
Minister of Children and Family Development	1,836,295	1,833,919	(2,376)	Yes
Minister of Community Services and Minister responsible for Seniors' and Women's Issues	266,781	261,458	(5,323)	Yes
Minister of Economic Development and Minister responsible for the Asia-Pacific Initiative and the Olympics	309,828	281,553	(28,275)	Yes
Minister of Education and Minister responsible for Early Learning and Literacy	5,195,667	5,191,159	(4,508)	Yes
Minister of Employment and Income Assistance	1,369,415	1,355,902	(13,513)	Yes
Minister of Energy, Mines and Petroleum Resources	77,234	74,082	(3,152)	Yes
Minister of Environment and Minister responsible for Water Stewardship and Sustainable Communities	194,909	191,870	(3,039)	Yes
Minister of Finance	1,754,414	1,556,530	(197,884)	Yes
Minister of Forests and Range and Minister responsible for Housing	872,990	838,440	(34,550)	Yes
Minister of Health	11,911,600	11,868,144	(43,456)	Yes
Minister of Labour and Citizens' Services	205,765	204,164	(1,601)	Yes
Minister of Public Safety and Solicitor General	548,012	544,694	(3,318)	Yes
Minister of Tourism, Sport and the Arts	207,308	207,267	(41)	Yes
Minister of Transportation	839,458	838,843	(615)	Yes
Total Individual Responsibilities Results	28,322,304	27,942,285	(380,019)	

Comparison of Expected Results to Actual Results for the Fiscal Year Ended March 31, 2007—Continued

Reconciliation of Summary Accounts Surplus to Stated Estimates Amount

In Thousands

	Expected Results [4.2]	Actual Results	Variance
	$	$	$
Consolidated Revenue Fund Revenue	29,329,000	31,246,759	1,917,759
Less: Total Expenses from Individual Responsibilities Results	(28,322,304)	(27,942,285)	380,019
Less: Estimates not included under the *Balanced Budget and Ministerial Accountability Act*:			
Legislation	(50,589)	(48,827)	1,762
Officers of the Legislature	(26,828)	(23,036)	3,792
BC Timber Sales	(169,100)	(152,752)	16,348
Minister of Small Business and Revenue	(45,225)	(42,371)	2,854
Total Consolidated Revenue Fund Estimated Surplus (Deficit)	714,954	3,037,488	2,322,534
Plus: Taxpayer–supported Crown corporations and agencies earnings (loss)	(1,630,000)	(1,666,574)	(36,574)
Plus: Self–supported Crown corporations and agencies earnings (loss)	1,971,000	2,685,408	714,408
Less: Forecast allowance	(850,000)		850,000
Adjusted Summary Accounts Estimated Surplus (Deficit)	205,954	4,056,322	3,850,368
Plus: Supplementary Estimates and Statutory Exemptions not included in Summary Surplus target	394,046		(394,046)
Actual Result shown in Public Accounts' Statement of Operations	**600,000**	**4,056,322**	**3,456,322**

The Ministry of Finance is accountable under the BBMAA for budgeted contingency amounts and their spending; therefore, both the contingency allocations and the related expense have been moved to the Minister of Finance. Details of the application of contingency amounts to ministries are available from the Consolidated Revenue Fund Supplementary Schedules and the Ministerial Appropriations schedules published on the Ministry of Finance website at www.fin.gov.bc.ca.

Expected Results are as disclosed in the revised Schedule 1 which includes adjustments to reflect; *Budget Measures Implementation Act, 2006*; the *Ministerial Accountability Rates Act, 2006/2007*; and the *New Relationship Trust Act*.

Comparison of Revenue Generation and Non–financial Targets to Results Achieved for the Minister of Small Business and Revenue and for Members of the Executive Council Without Responsibility for Operating Expenses for the Fiscal Year Ended March 31, 2007

Expected Results	Results Achieved
Minister of Small Business and Revenue	
• The source of actual revenue is hereby specified as being the gross revenue for the 2006/07 fiscal year from audit and revenue compliance related activity in respect of tax, resource and other revenues payable under enactments administered by a member of the Executive Council responsible for operating expenses of the Ministry of Small Business and Revenue. The amount of actual gross revenue from that revenue source is hereby specified as being $214.682 million.	Yes
Minister of State for ActNow BC	
• Develop an action plan for ActNow BC that incorporates the following: i) focuses on the key actions required to improve the outcomes, through physical activity, healthy eating and healthy living, for (A) children at risk of obesity, and (B) the health of children and seniors, ii) proposes ways to involve every ministry that has the potential to contribute to ActNow BC, and iii) proposes ways to facilitate the leadership and involvement of local government, community groups, schools and other organizations.	Yes
• Begin implementing the action plan;	Yes
• Present the action plan and report on the accomplishments for the year to Cabinet.	Yes
Minister of State for Childcare	
• Consult with the Ministries of Education and Health to provide leadership to establish and expand five neighbourhood service hubs that offer a range of integrated services for families, including child care, and inform the Provincial Child Care Council and other interested parties regarding the results.	Yes
• Establish three new community partnerships that focus on child care, target specific communities and model best practices and report results to the Government Caucus Committee on Social Development.	Yes
• Host a Family Friendly Workplace Forum.	Yes
• Present a plan to the Government Caucus Committee on Social Development, developed in collaboration with the Ministers of Advanced Education and Health, to increase the number of skilled and qualified behavioural interventionists for children with autism in B.C.	Yes
• Work with the Ministry of Advanced Education on the development of a recruitment and retention plan for Early Childhood Educators, include an aboriginal focus, and present the plan to the Government Caucus Committee on Social Development.	Yes

Comparison of Revenue Generation and Non–financial Targets to Results Achieved for the Minister of Small Business and Revenue and for Members of the Executive Council Without Responsibility for Operating Expenses for the Fiscal Year Ended March 31, 2007—Continued

Expected Results	Results Achieved
Minister of State for Intergovernmental Relations	
• Promote an equitable distribution of federal spending and benefits for British Columbia by working with ministries to present proposals to the Government of Canada for federal funding under existing or new national programs and policy changes and present proposals to the Government of Canada and the relevant Government Caucus Committee in the areas of Pacific Gateway investments, a federal commitment to a national transportation strategy, Mountain Pine Beetle, national training strategy, immigration and the Francophone Affairs Program.	Yes
• Develop and present to Cabinet proposals for additional cooperation in the following areas: i) between the government and the State of Washington under the recently signed Memorandum of Cooperation, ii) between the government and the State of Alaska under the recently signed Memorandum of Cooperation, iii) between the government and the State of Montana and other neighbouring states, iv) with the Pacific Northwest Economic Region, v) between the government and the Province of Quebec, and vi) with the Province of Alberta under the Protocol of Cooperation.	Yes
Minister of State for Mining	
• Work with associated ministries and agencies to improve global competitiveness and investment in British Columbia by simplifying the mineral exploration and mining project review and approval process and provide a status report to the Government Caucus Committee on Natural Resources and the Economy.	Yes
• Develop and implement a mining education network to facilitate training and skills development to address skills shortages in mineral exploration and mining, in conjunction with other agencies, industry, communities, and First Nations and report to the Government Caucus Committee on Natural Resources and the Economy on the progress in this area.	Yes
• Improve community and First Nations' awareness of the economic opportunities and social benefits of a thriving mining sector and provide a status report to the Government Caucus Committee on Natural Resources and the Economy.	Yes
• Increase public awareness of the benefits derived from the mineral exploration and mining industries and their contributions to building prosperous communities across the province and provide a status report to the Government Caucus Committee on Natural Resources and the Economy.	Yes

Ministerial Salary Holdback Repayment Results for the Fiscal Year Ended March 31, 2007

	Collective Fiscal Holdback Repayable	Annual Report Holdback Repayable	Total Holdback Repayable
Minister of Small Business and Revenue	$	$	$
Minister of Small Business and Revenue and Minister responsible for Deregulation	3,922	3,922	7,844
Members of the Executive Council without Operating Expense Responsibilities			
Minister of State for ActNow BC	1,569	1,569	3,138
Minister of State for Childcare	2,500	2,500	5,000
Minister of State for Intergovernmental Relations	2,500	2,500	5,000
Minister of State for Mining	2,500	2,500	5,000

	Collective Fiscal Holdback Repayable	Annual Report Holdback Repayable	Total Holdback Repayable
Members of the Executive Council with Operating Expense Responsibilities	$	$	$
Premier	4,500	4,500	9,000
Minister of Aboriginal Relations and Reconciliation	3,922	3,922	7,844
Minister of Advanced Education and Minister responsible for Research and Technology	3,922	3,922	7,844
Minister of Agriculture and Lands	3,922	3,922	7,844
Attorney General and Minister responsible for Multiculturalism	3,922	3,922	7,844
Minister of Children and Family Development	3,922	3,922	7,844
Minister of Community Services and Minister responsible for Seniors and Women's Issues	3,922	3,922	7,844
Minister of Economic Development and Minister responsible for the Asia-Pacific Initiative and the Olympics	3,922	3,922	7,844
Minister of Education and Minister responsible for Early Learning and Literacy	3,922	3,922	7,844
Minister of Employment and Income Assistance	3,922	3,922	7,844
Minister of Energy, Mines and Petroleum Resources	3,922	3,922	7,844
Minister of Environment and Minister responsible for Water Stewardship and Sustainable Communities	3,922	3,922	7,844
Minister of Finance	3,922	3,922	7,844
Minister of Forests and Range and Minister responsible for Housing	3,922	3,922	7,844
Minister of Health	3,922	3,922	7,844
Minister of Labour and Citizens' Services	3,922	3,922	7,844
Minister of Public Safety and Solicitor General	3,922	3,922	7,844
Minister of Tourism, Sport and the Arts	3,922	3,922	7,844
Minister of Transportation	3,922	3,922	7,844

Holdback amounts are reported on the accrual basis. Ministers may [illegible]

BRITISH COLUMBIA

The Best Place on Earth

Ministry of Finance

VISIT OUR WEBSITE AT: www.fin.gov.bc.ca